**News Highlights**.

- Traders in South India are worried of lower earnings in the current year. Though average price has declined by Rs.5/kg, the volumes sold have declined by 3.29 lakh kg amid lack of demand. Till February this year, nine auctions have been held and 9.47 million kg has been sold compared to 9.80 million kg during the same period previous year.

- During the pre monsoon period in North –eastern India, the region hosts high possibility of natural calamities like thunderstorm, heavy rainfall and hailstorm. Though highly affected by the climatic conditions, tea does not have any insurance coverage against adverse weather conditions. Planters have been demanding the same from a long time.

- The tea processing season has began in Nepal from last two weeks and most of the tea factories have fixed procurement prices of green tea leaves. The rates vary from Rs. 35 to Rs.45 per kg, depending on the quality of leaf. Organic tea factories have fixed the price at Rs.60 per kg. The prices are higher compared to previous year with some teas being sold at Rs.65 per kg.

- In order to fight the continuous rainfall scarcity, the Indian tea industry is likely to adopt comprehensive water management with the help of Israeli expertise. According to sources at the Indian Tea Association, reduction in crop output due to rainfall scarcity has become a major issue confronting the tea industry. Under such weather conditions, irrigation is an important factor for the sector.

- According to Tea Board, it has identified more export markets to make up for the decline in exports in other markets. Chile and China are in the list of new markets. Exports to countries like Kazakhstan, Russia, USA, China, Iran, Arab Republic of Egypt and Latin America have declined. Exports have declined from 222 million kg in 2010 to 201 million kg in 2014.

- In the current year exports are likely to be sluggish. India is the fourth largest tea exporter in the world after China, Sri Lanka and Kenya. Traditionally, Russia, UAE and Britain are the major export destinations. Though production has been growing consistently at a compounded annual rate of three percent, exports have been on a decline. This is mainly due to firm prices amid increase in domestic consumption.

## Domestic Trade Scenario:

**Indian Tea Auctions**

**Kolkata Tea Auction: Sale No: 14 (Price in Rs./kg)**

| Variety | Avg. Price | Total Offerings (Kgs) | Total Sold (Kgs) |
|---|---|---|---|
| **CTC** | 108.73 | 9,10,705 | 6,57,769 |
| **ORTHODOX** | 139.78 | 16,362 | 12,557 |
| **DARJEELING** | 165.51 | 17,864 | 8,033 |
| **DUST** | 103.30 | 1,20,802 | 87,593 |

**(Source: CTTA, Parcon India)**

Prices noticed range –bound to weak tone during the week. Quantity offered on sale declined during the week compared to previous week. There was good demand for Dooars variety. Other varieties noticed fair demand in the market. Buying interest from loose tea buyers lend some support to the market. Prices are likely to notice weak tone in the coming days.

**Guwahati Tea Auction: Sale No: 14 (Price in Rs./kg)**

| Guwahati | Avg. Price | Total Offerings (Kgs) | Total Sold (Kgs) |
|---|---|---|---|
| **CTC** | 136.29 | 5,14,484 | 3,54,559 |
| **Dust** | 144.76 | 1,82,077 | 1,29,273 |

**(Source: CTTA, Parcon India)**

Prices noticed firm tone during the week. Quantity offered on sale increased during the week compared to previous week. There is less demand in the market around current levels. The first flush of tea is arriving in the market. Demand from Hindustan Unilever Ltd. lent some support to the market. Prices are likely to notice firm tone in the near –term.

**Siliguri Tea Auction: Sale No: 14 (Price in Rs./kg)**

| Variety | Avg. Price | Total Offerings (Kgs) | Total Sold (Kgs) |
|---|---|---|---|
| **CTC Dust** | 110.48 | 83,208 | 61,096 |
| **CTC Leaf** | 123.89 | 8,42,009 | 6,27,027 |

**(Source: CTTA)**

Prices noticed weak tone during the week. Quantity offered on sale declined during the week. There was good demand for Best/Good sorts around lower levels. Other varieties noticed withdrawals. There was some enquiry from exporters. Prices are likely to notice range –bound to weak tone in the coming days.

**Jalpaiguri Tea Auction: Sale No: 15 (Price in Rs./kg)**

| Variety | Avg. Price | Total Offerings (Kgs) | Total Sold (Kgs) |
|---|---|---|---|
| **CTC Dust** | - | - | - |
| **CTC Leaf** | - | - | - |

**(Source: Jalpaiguri Tea Auction Committee)**

There was no auction at Jalpaiguri during the week.

**Cochin Tea Auction: Sale No: 15 (Price in Rs./kg)**

| Cochin | Avg. Price | Total Offerings (Kgs) | Total Sold (Kgs) |
|---|---|---|---|
| CTC Dust | 101.72 | 1006330.8 | 916183.6 |
| CTC Leaf | 71.12 | 72513.0 | 50560.0 |
| Orthodox Dust | 85.00 | 7167.0 | 392.0 |
| Orthodox Leaf | 144.40 | 85451.0 | 65260.0 |

**(Source: Paramount Marketing, Coimbatore)**

Prices noticed weak tone during the week. Quantity offered on sale declined during the week compared to previous week. Auction resumed after the Easter holidays during the previous week. There was not much demand from loose tea buyers. Buying interest from Kerala State Civil Supplies, AVT lent some support to the market. Prices are likely to notice weak tone in the near –term.

**Coimbatore Tea Auction: Sale No: 145 (Price in Rs./kg)**

| Coimbatore | Avg. Price | Total Offerings (Kgs) | Total Sold (Kgs) |
|---|---|---|---|
| CTC Dust | 81.08 | 312342.7 | 240749.7 |
| CTC Leaf | 74.85 | 136097.0 | 95649.0 |
| Orthodox Dust | 68.21 | 24392.0 | 3009.0 |
| Orthodox Leaf | 83.92 | 6934.0 | 3338.0 |

**(Source: Paramount Marketing, Coimbatore)**

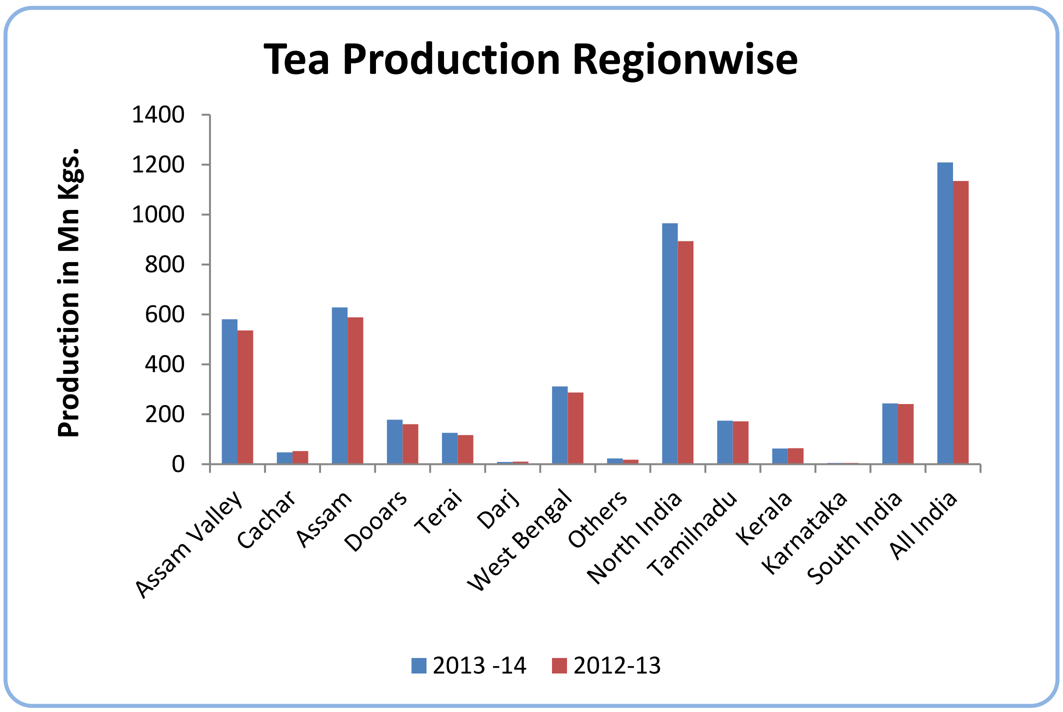
Prices noticed mixed tone during the week. Quantity offered on sale increased during the week compared to previous week. Demand from exporters for Orthodox Leaf variety lent some support to the market. Demand is slack during summer season. Prices are likely to notice range –bound to weak tone in the near –term.

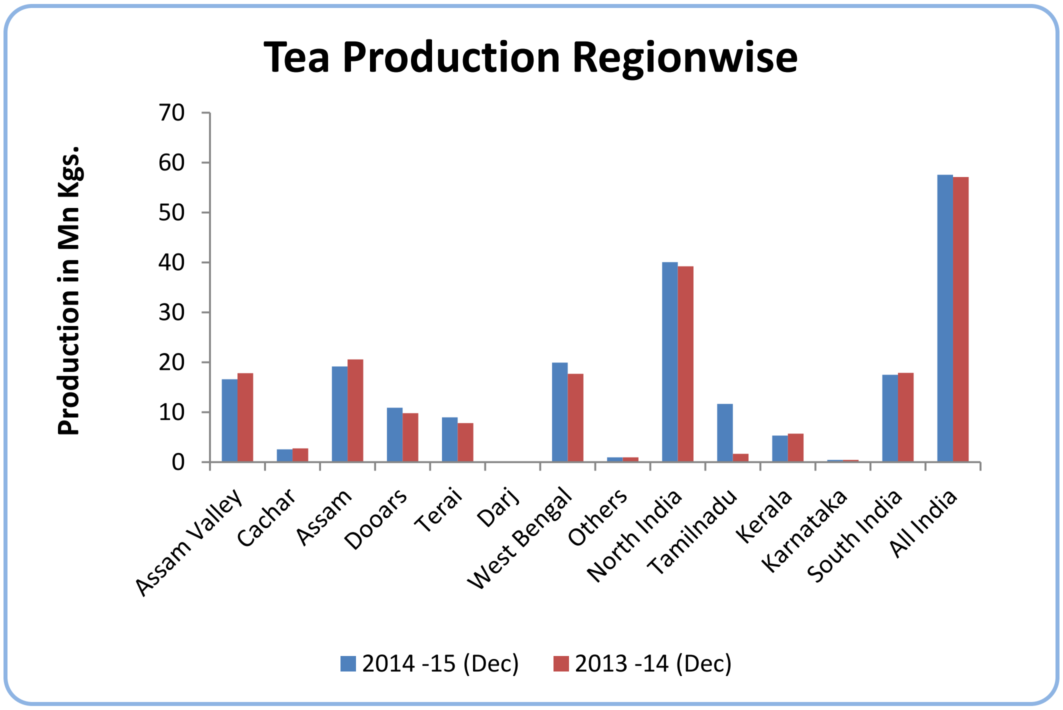
**Coonoor Tea Auction: Sale No: 15 (Price in Rs./kg)**

| Coonoor | Avg. Price | Total Offerings (Kgs) | Total Sold (Kgs) |
|---|---|---|---|
| CTC Dust | 78.69 | 357209.8 | 296244.0 |
| CTC Leaf | 74.42 | 756922.0 | 523920.0 |
| Orthodox Dust | 94.01 | 44240.0 | 24712.0 |
| Orthodox Leaf | 97.17 | 55865.2 | 53693.2 |

**(Source: Paramount Marketing, Coimbatore)**

Prices noticed weak tone except CTC Dust variety during the week. Quantity offered on sale declined during the week compared to previous week. Demand from loose tea buyers for CTC Dust variety lent support to the market. Prices are likely to notice firm tone in the coming days.





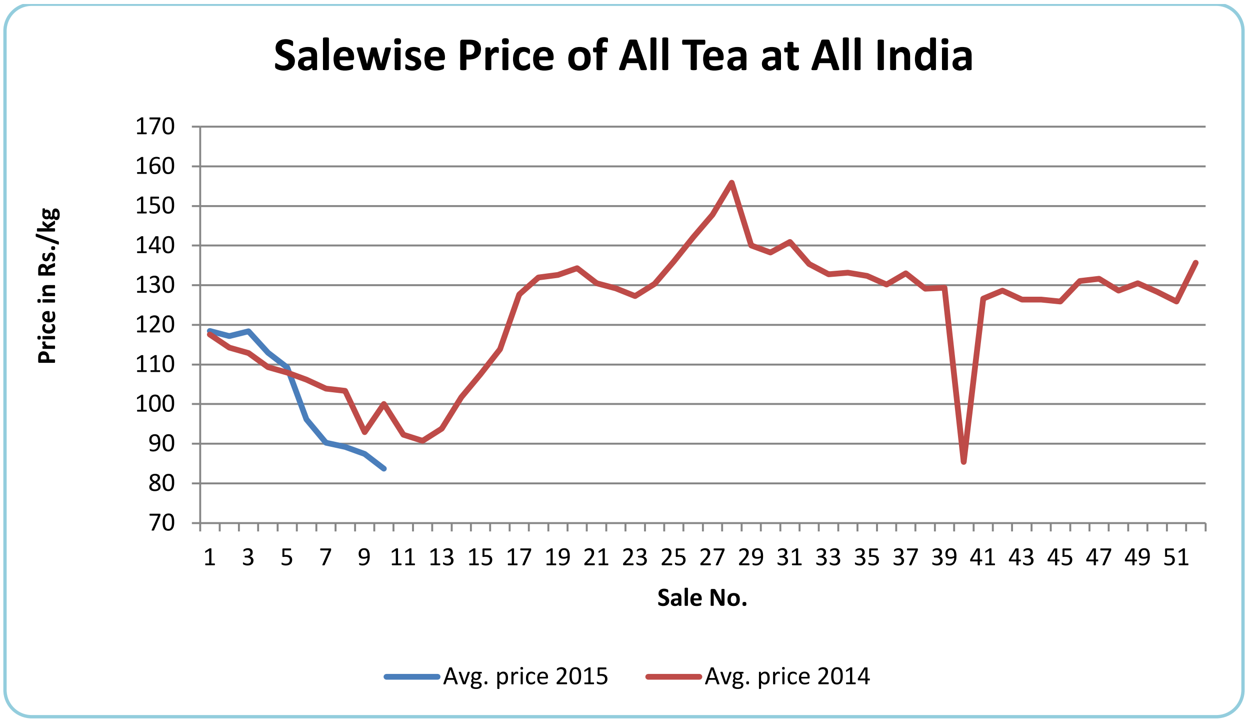

(Source: Tea Board)

The above graph shows production comparison region wise during the last two years and in the month of May in comparison with previous year. In the year 2014 (Apr –Mar), production increased by 6.5% to 1208.78 million kgs mainly on account of increase in production in Assam. In the current year in the month of May, production of tea in India declined by 11.8% to 91.41 million kgs. in comparison with the same period last year following lack of suitable temperature and rainfall in north India.

**REGIONWISE QUARTERLY EXPORTS (IN MILLION KGS.)**

| | | North India | | | South India | | All India | | |
|---|---|---|---|---|---|---|---|---|---|
| | Qty | Value | Unit Price | Qty | Value | Unit Price | Qty | Value | Unit Price |
| Apr-Dec 2014 (P) | 80.42 | 1996.9 | 248.3 | 61.41 | 835.17 | 136 | 141.83 | 2832.02 | 199.68 |
| Apr-Dec 2013 | 97.41 | 2424.9 | 248.93 | 68.95 | 987.32 | 143.19 | 166.36 | 3412.17 | 205.11 |
| Inc/Dec in % | -17.44 | -17.65 | -0.25 | -10.94 | -15.41 | -5.02 | -14.75 | -17 | -2.65 |
| | | | | | | | | | |
| Jan-Dec 2014 (P) | 116.29 | 2777.31 | 238.83 | 84.94 | 1151.63 | 135.58 | 201.23 | 3928.94 | 195.25 |
| Jan-Dec 2013 | 128.08 | 3075.87 | 240.15 | 90.98 | 1279.36 | 140.62 | 219.06 | 4355.23 | 198.81 |
| Inc/Dec in % | -9.21 | -9.71 | -0.55 | -6.64 | -9.98 | -3.58 | -8.14 | -9.79 | -1.79 |

**Source: Tea Board Of India**




The above graph shows the price comparison of All Tea at All India in 2014 and 2015. Currently the average prices of all tea are slightly lower compared to previous year amid lack of availability of good quality tea in the market. Prices have declined during the week compared to previous week.

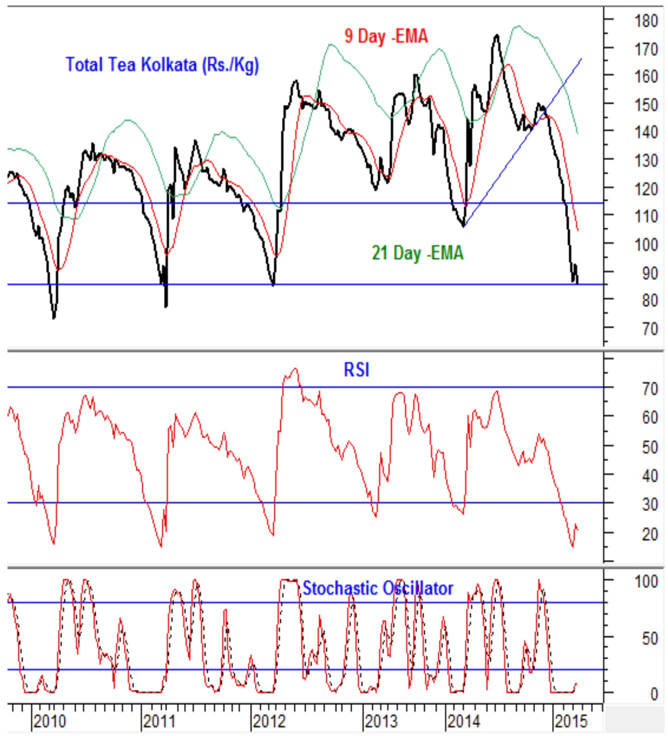
**Weekly Average Prices at Indian Auction Centers for week ending 2014-03-28**

| Variety | Kolkata | Guwahati | Siliguri | Jalpaiguri | Cochin | Coonoor | Coimbatore | Tea Serve |
|---|---|---|---|---|---|---|---|---|
| CTC All Dust | 84.97(102.38) | NS(91.43) | 125.35(95.63) | NS(NS) | 97.94(109.19) | 78.30(73.59) | 80.36(84.07) | 59.12(67.56) |
| Total Tea | 85.53(113.34) | NS(91.12) | 125.35(95.61) | NS(NS) | 100.60(110.56) | 79.01(74.59) | 80.45(84.11) | 59.12(67.56) |

**(Figure in brackets denote prices during the same corresponding period in the previous year)**

| Variety | North India | South India | All India |
|---|---|---|---|
| CTC All Dust | 90.62(96.53) | 84.57(87.06) | 88.12(91.16) |
| Total Tea | 91.09(100.59) | 86.31(88.29) | 89.05(93.77) |

**(Source: Tea Board)**

| Tea – Technical Outlook | Total Tea -Kolkata |
|---|---|
| **Technical Commentary**: Tea prices declined during the week. Prices are likely to move towards 70 levels in the coming days. MACD is declining in the negative territory supporting weakness in the medium – term. Stochastic oscillator is steady in the oversold region supporting some recovery in the near –term.<br><br>***The tea prices are likely to notice recovery towards 100 levels in the coming days. Buyers can purchase on any weakness for their near –term requirement.*** |  |



**Strategy: Buy On Near –Term Weakness**

| Weekly Supports & Resistances | | S1 | S2 | PCP | R1 | R2 |
|---|---|---|---|---|---|---|
| Total Tea | Kolkata | 75.10 | 60.00 | 85.53 | 100.00 | 150.10 |

## International Trade Scenario:

**Srilanka Tea Auction (Colombo): Sale No: 14 (Price in Srilankan Rs./kg)**

| | BOP | BOPF |
|---|---|---|
| Good Westerns | 420 - 460 | 420 - 570 |
| Average Westerns | 380 - 410 | 390 - 410 |
| Plainer Westerns | 340 - 370 | 340 - 380 |
| Western Mediums | 330 - 550 | 300 - 450 |
| Uva Teas | 300 - 520 | 300 - 425 |
| Nuwara Eliya Teas | 500 - 580 | 400 - 430 |
| Udapussellawa Teas | 280 - 410 | 310 - 350 |
| CTC (BP1 and PF1) | 270 - 415 | 310 - 525 |

In this week's auction, 7.32 million kgs of tea was offered for sale compared to 7.15 million kgs of tea during the previous week. There was fair demand for Select Best teas during the week. Better western BOP's noticed firm tone and BOPF's noticed easy tone during the week. High Grown and Mid Grown CTC's noticed easy tone and Low Grown CTC's noticed easy tone during the week. There was fair demand for liquoring leafy teas.

In the leaf category, Better PEK/PEK1's and a few bolder types noticed firm tone. In the Tippy catalogues, better made FBOP and FF1's noticed easy tone during the week. The below best and plainer variety noticed easy tone during the week. There was less demand from Iran.

AGRIWATCH

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## DETAILS OF TEAS AWAITING SALE

| AUCTION NO. | 16 | | 15 | | 14 | |
|---|---|---|---|---|---|---|
| Dates | 27th/ 28th April 2015 No. of Lots | No. of Kgs | 21st /22nd April 2015 No. of Lots | No. of Kgs | 07th/08th April 2015 No. of Lots | No. of Kgs |
| Ex Estate | 1,141 | 1,344,765 kg | 1,121 | 1,319,720 kg | 1,035 | 1,219,297 kg |
| Main Sale Total | 10,554 | 6,044,752 kg | 10,764 | 6,039,705 kg | 10,690 | 6,100,248 kg |
| High & Medium | 1,364 | 791,917 kg | 1,306 | 731,173 kg | 1,334 | 740,880 kg |
| Low Growns Leafy | 3,670 | 1,784,510 kg | 3,845 | 1,854,360 kg | 3,743 | 1,833,909 kg |
| Tippy | 2,456 | 1,537,754 kg | 2,474 | 1,557,906 kg | 2,411 | 1,527,792 kg |
| Premium/Flowery | 383 | 89,202 kg | 369 | 90,561 kg | 320 | 80,284 kg |
| Off Grades | 2,054 | 1,210,273 kg | 2,193 | 1,249,346 kg | 2,269 | 1,314,549 kg |
| Dust | 627 | 631,096 kg | 577 | 556,359 kg | 613 | 602,834 kg |
| Grand Total | 11,695 | 7,389,517 kg | 11,885 | 7,359,425 kg | 11,725 | 7,319,545 kg |
| Reprints | 886 | 615,971 kg | 616 | 377,927 kg | 560 | 344,498 kg |
| Scheduled to Close (Ex) | | 02.04.15 | | 26.03.15 | | 19.03.15 |
| Dates (Ms) | | 02.04.15 | | 27.03.15 | | 20.03.15 |

**Scheduled Closing Dates**

| | | | | | |
|---|---|---|---|---|---|
| Auction No. 15 | : | 21st/22nd April 2015 | Auction No. 17 | : | 05th/06th May 2015 |
| Ex Estate | : | 26.03.2015 | Ex Estate | : | 09.04.2015 |
| Main Sale | : | 27.03.2015 | Main Sale | : | 10.04.2015 |
| Auction No. 16 | : | 27th/28th April 2015 | Auction No. 18 | : | 12th/13th May 2015 |
| Ex Estate | : | 02.04.2015 | Ex Estate | : | 23.04.2015 |
| Main Sale | : | 02.04.2015 | Main Sale | : | 24.04.2015 |

(Source: John Keells Tea Brokers)

**Kenya Tea Auction (Mombasa): Sale No: 14**

| QUOTATIONS | BROKENS | FANNINGS |
|---|---|---|
| Best | 350 – 412 | 399 – 430 |
| Good | 343 – 379 | 386 - 433 |
| Good Medium | 325 – 363 | 390 – 428 |
| Medium | 336 – 487 | 342 - 406 |
| Lower Medium | 148 – 397 | 183 - 352 |
| Plain | 107 - 269 | 141 - 273 ( SL RUPEES) |

During the week good demand noticed for 7,117,645 kilos of tea on offer. Brighter DUST1s were firm to UCS10 lower, with mediums USC60 higher and prices of lower mediums were firm to USC5 lower during the week. Prices of Brighter BP1's noticed weak tone and were lower up to USC8, prices of mediums were up to USC250 lower and prices of lower mediums were USC2 to USC20 lower. Other varieties like Brighter Pdusts, Lower Medium PF1's noticed mixed tone during the week.

In the secondary catalogues, BPs noticed steady tone and PF's noticed easy tone during the week. Well sorted clean coloury Fannings noticed firm tone and Dusts prices noticed easy tone during the week. Other Fannings noticed firm tone and BMF's noticed easy tone. There was good buying interest from Pakistan packers and Afghanistan. There was selective buying from Egyptian Packers and CIS countries. There was demand from Sudan, Yemen, Sudan, middle –eastern countries and UK. There was less demand from Russia, Iran and Bazaar. There was some buying support from Somalia around lower levels.

(Source: Africa Tea Brokers)

## Indonesia Tea Auction (Jakarta): Sale No: 14

| Orthodox | OFFERED | | SOLD | | % |
|---|---|---|---|---|---|
| PTPN ESTATE | 7.500 | 396.200 Kg | 5.020 | 263.580 Kg | 66.53 |
| PRIVATE ESTATE | --- | --- Kg | --- | --- Kg | --,-- |
| TOTAL | 7.500 | 396.200 Kg | 5.020 | 263.580 Kg | 66.53 |
| **C.T.C** | **OFFERED** | | **SOLD** | | **%** |
| PTPN ESTATE | 2.240 | 127.500 Kg | 1.800 | 103.660Kg | 81.30 |
| PRIVATE ESTATE | --- | ---- Kg | --- | --- Kg | --,-- |
| TOTAL | 2.240 | 127.500 Kg | 1.800 | 103.660Kg | 81.30 |
| TOTAL | 9.740 | 523.700 Kg | 6.820 | 367.240 Kg | 70.12 |

(Prices in US cents/kg)

| Orthodox First Grades | | | | | | |
|---|---|---|---|---|---|---|
| **BOP.I** | **BOP** | **BOPF** | **PF** | **DUST** | **BT** | **BP** |
| 154 | 112-190 | 97-125 | 98-202 | 105-192 | 94-131 | 320 |

| Orthodox Secondary Grades | | | | |
|---|---|---|---|---|
| **PF.II** | **DUST.II** | **BT.II** | **BP.II** | **DUST.III** |
| 96-177 | 103-116 | 94-113 | 200 | 103-111 |

| CTC First and Secondary Grades | | | | | | |
|---|---|---|---|---|---|---|
| **BP.1** | **PF.1** | **PD** | **D.1** | **FANN** | **D.2** | **D.3** |
| 145-150 | 170-212 | 163-210 | 153-245 | 110-202 | 142-190 | --- |

Market offerings declined to 9,740 paper sacks from 11,020 paper sacks. There was good demand in the market around current levels. Average price declined to USDcts 146.97 instead of USDcts 143.30 during last week’s auction. Average price of Orthodox variety declined to USDcts 135.68 and average price of CTC increased to USDcts 174.14. Secondary variety and Fannings noticed easy tone. Quantity sold declined to 70.12% during the period compared to 66.32% during last auction.

**OFFERING FOR THE NEXT AUCTION**

| PRODUCER | Orthodox | | C.T.C | |
|---|---|---|---|---|
| | 15/04/15 | 22/04/15 | 15/04/15 | 22/04/15 |
| PTPN. IV | 1.620 S | 1.360 S | - | - |
| PTPN. VI | 360 S | 180 S | 480 S | 460 S |
| PTPN. VII | 1.360 S | 980 S | 140 S | 80 S |
| PTPN. VIII | 5.120 S | 4.360 S | 520 S | 940 S |
| PTPN. IX | 300 S | 320 S | - | - |
| PTPN. XII | - S | - S | 520 S | 600 S |
| Total Estate | 8.760 S | 7.200 S | 1.660 S | 2.080 S |
| Pagilaran | - S | - S | - S | - S |
| Total Private | - S | - S | - S | - S |
| Grand Total | 8.760 S | 7.200 S | 1.660 S | 2.080 S |

(Source: TEH)

**Bangladesh Tea Auction (Chittagong): Sale No: 45**

(In Taka/kg)

| BROKENS | QUOTATIONS | FANNINGS | QUOTATIONS |
|---|---|---|---|
| Large/Bold | NQTA | Best | 150-170 nom |
| Medium | 110-135 nom | Good | 140-150 nom |
| Small | 125-140 nom | Medium | 120-130 |
| Plain | 65-110 | Plain | 70-110 |

Tea prices at Bangladesh tea auction declined during the week following lower demand from local buyers amid lower supply of tea in the market and political unrest in the country. The average price of tea during this week's auction was around USD 1.60/kg. Around 565,522 kgs of tea was offered for sale and nearly 25 percent remained unsold.

There was good demand from loose tea buyers and blenders. 6,631 packages and 1.968 packages of CTC Leaf of new season noticed good demand. 1,405 packages, 10 packages of old season and 335 packages of new season on offer of CTC Dust noticed good buying interest. In CTC Dust, good liquoring varieties were firm and medium levels noticed steady tone. Good liquoring Broken varieties noticed demand around lower levels. Good liquoring varieties in fannings noticed firm tone during the week. Good liquoring Dusts noticed easy tone during the week.

(Source: National Brokers Limited)

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# WORLD CROP STATISTICS IN (Mn/kgs)

| Country | MONTH | 2014 2015 | 2014 2015 | CUMULATIVE | 2014 2015 | 2014 2015 | CUMULATIVE + INC./-DEC. |
|---|---|---|---|---|---|---|---|
| Sri Lanka | Feb. | 25.4 | 22.5 | Up to Feb. | 48.7 | 48.1 | + 0.6 |
| North India | Jan. | 3.95 (E) | 4.96 (E) | Up to Jan. | 3.95(E) | 4.96 (E) | - 1.01 |
| South India | Jan. | 17.17 (E) | 17.10 (E) | Up to Jan. | 17.17 E) | 17.10 (E) | + 0.07 |
| Kenya | Jan. | 41.6 | 44.9 | Up to Jan. | 41.6 | 44.9 | - 3.30 |
| Bangladesh | Jan. | 0.16 | 0.23 | Up to Jan. | 0.16 | 0.23 | - 0.07 |
| Malawi | Jan. | 6.48 | 8.20 | Up to Jan. | 6.48 | 8.20 | - 1.72 |

(Source: John Keells Tea Brokers)

World tea production has been increasing over the years. With more medicinal value of tea being highlighted, the consumption is set to increase in the coming years. However in the previous year, global black tea output declined to 2019.13 mkg compared to 2027.5 mkg in 2013. India's production declined by 16.06 mkg to 1127.21 mkg. According to Indian Tea Association, consumption of tea is increasing at an annual rate of 3 per cent. In the current financial year in India, production of tea is likely to be affected in the coming months following cold and frost weather conditions in the tea growing regions in the months of December and January.

| Currency | 11-04-2015 | 04-04-2015 |
|---|---|---|
| USD | 62.27 | 62.17 |
| Srilankan Rupee | 0.4680 | 0.4708 |
| Indonesian Rupiah | 0.0048 | 0.0048 |
| Kenyan Shilling | 0.6693 | 0.6789 |
| Bangladeshi Taka | 0.8006 | 0.8106 |

## Overall Outlook and Recommendation:

In the domestic market, prices noticed weak tone. Quantity offered on sale increased during the week compared to previous week. The arrival of first flush of tea has started in the North India markets. Most of the tea arriving in the market is not of good quality amid rains during the last few weeks. Lower production of first flush of tea is expected. Prices are likely to notice range –bound to weak tone in the near –term.

In the global market, prices noticed range –bound to weak tone. Hot and dry weather in the tea growing regions of Africa is likely to affect the output. Future offering of tea is likely to increase in Srilanka and decline in Indonesia. Prices are likely to notice range –bound to firm tone in the coming days.